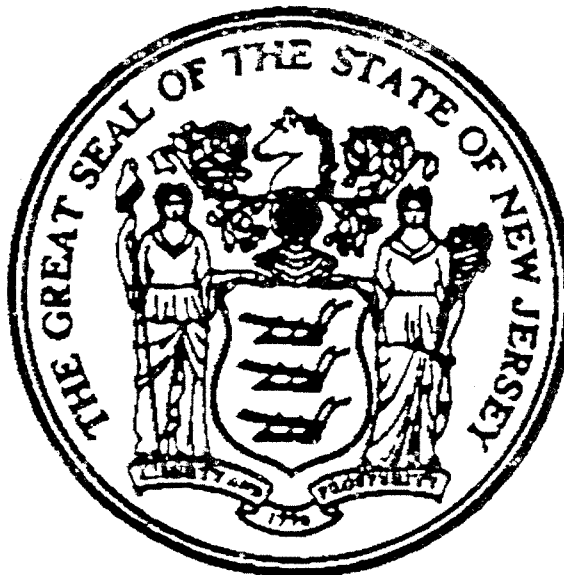


QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED DECEMBER 31, 2002

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

AS OF DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

6/17/03

LINE (a)	DESCRIPTION (b)	DECEMBER 2002	DECEMBER 2001
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	52,811	42,066
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$9,358; 2001, \$10,036)..... NOTE 2.....	15,609	21,089
4	Inventories.....	5,146	5,009
5	Prepaid Expenses and Other Current Assets.....	3,825	2,506 *
6	Total Current Assets.....	77,391	70,670
7	Investments, Advances, and Receivables - CRDA..... NOTE 7.....	11,402	15,478
8	Property and Equipment - Gross..... NOTE 2 & 3.....	1,115,209	1,083,648
9	Less: Accumulated Depreciation and Amortization..... NOTE 2 & 3.....	(248,564)	(211,280)
10	Property and Equipment - Net.....	866,645	872,368
11	Other Assets..... NOTE 6.....	12,858	81,871
12	Total Assets.....	968,296	1,040,387
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	12,621	16,343
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 4.....	5,668	2,129
17	Income Taxes Payable and Accrued.....	1,944	-
18	Other Accrued Expenses..... NOTE 5.....	27,016	27,674 *
19	Other Current Liabilities.....	8,876	11,254 *
20	Total Current Liabilities.....	56,125	57,400
	Long-Term Debt:		
21	Due to Affiliates..... NOTE 4 & 9.....	836,290	800,000
22	Other..... NOTE 4.....	10,171	4,162
23	Deferred Credits.....	-	-
24	Other Liabilities.....	973	2,501 *
25	Commitments and Contingencies..... NOTE 7.....		
26	Total Liabilities.....	903,559	864,063
27	Stockholders', Partners', or Proprietor's Equity..... NOTE 8 & 9.....	64,737	176,324
28	Total Liabilities and Equity.....	968,296	1,040,387

* Reclassification to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

Amended
6/17/03

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	REVENUE:		
1	Casino.....	529,310	525,115
2	Rooms.....	34,794	34,926
3	Food and Beverage.....	55,307	55,936
4	Other.....	19,905	17,839
5	Total Revenue.....	639,316	633,816
6	Less: Promotional Allowances..... NOTE 2.....	123,404	132,964 *
7	Net Revenue.....	515,912	500,852
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	289,595	290,413
9	Selling, General and Administrative..... NOTE 2.....	70,375	69,370 *
10	Provision for Doubtful Accounts.....	4,222	2,901
11	Total Costs and Expenses.....	364,192	362,684
12	Gross Operating Profit.....	151,720	138,168
13	Depreciation and Amortization..... NOTE 2.....	38,158	33,822
	Charges from Affiliates Other than Interest.....	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 6.....	6,068	6,159
16	Income (Loss) from Operations.....	107,494	98,187
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 4.....	(95,430)	(92,733)
18	Interest Income (Expense) - External..... NOTE 4.....	(973)	(577)
19	Investment Alternative Tax and Related Income (Expense) - Net..... NOTE 7.....	(6,234)	(2,330)
20	Nonoperating Income (Expense) - Net.....	616	1,455
21	Total Other Income (Expenses).....	(102,021)	(94,185)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	5,473	4,002
23	Provision (Credit) for Income Taxes..... NOTE 2.....	2,319	-
24	Income (Loss) Before Extraordinary Items.....	3,154	4,002
25	Extraordinary Items (Net of Income Taxes- 2002, \$ ____ ; 2001, \$ ____).....	-	-
26	Net Income (Loss).....	3,154	4,002

* Reclassification to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

Amended

6/17/03

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	REVENUE:		
1	Casino.....	120,803	124,436
2	Rooms.....	8,138	8,587
3	Food and Beverage.....	12,457	13,465
4	Other.....	4,302	4,250
5	Total Revenue.....	145,700	150,738
6	Less: Promotional Allowances..... NOTE 2.....	28,167	31,459 *
7	Net Revenue.....	117,533	119,279
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	70,416	70,268
9	Selling, General and Administrative..... NOTE 2.....	16,376	16,838 *
10	Provision for Doubtful Accounts.....	313	738
11	Total Costs and Expenses.....	87,105	87,844
12	Gross Operating Profit.....	30,428	31,435
13	Depreciation and Amortization..... NOTE 2.....	10,092	8,581
	Charges from Affiliates Other than Interest:.....	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 6.....	1,160	1,183
16	Income (Loss) from Operations.....	19,176	21,671
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 4.....	(24,203)	(23,154)
18	Interest Income (Expense) - External..... NOTE 4.....	(293)	(232)
19	Investment Alternative Tax and Related Income (Expense) - Net..... NOTE 7.....	(4,191)	(539)
20	Nonoperating Income (Expense) - Net.....	421	808
21	Total Other Income (Expenses).....	(28,266)	(23,117)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(9,090)	(1,446)
23	Provision (Credit) for Income Taxes..... NOTE 2.....	529	-
24	Income (Loss) Before Extraordinary Items.....	(9,619)	(1,446)
25	Extraordinary Items (Net of Income Taxes- 2002, \$ ____ ; 2001, \$ ____).....	-	-
26	Net Income (Loss).....	(9,619)	(1,446)

* Reclassification to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

Amended
6/17/03

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2000.....	\$187,242	(\$14,920)		\$172,322
2	Net Income (Loss) - 2001.....	-	4,002		4,002
3	Capital Contributions.....	-	-		-
4	Capital Withdrawals.....	-	-		-
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7					
8					
9					
10	Balance, December 31, 2001.....	187,242	(10,918)		176,324
11	Net Income (Loss) - 2002.....	-	3,154		3,154
12	Capital Contributions..... NOTE 9.....	(35,565)	-		(35,565)
13	Capital Withdrawals.....	-	-		-
14	Partnership Distributions..... NOTE 8.....	(79,176)			(79,176)
15	Prior Period Adjustments.....				
16					
17					
18					
19	Balance, December 31, 2002.....	\$72,501	(\$7,764)	-	\$64,737

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

6/17/03

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	39,911	15,878
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(14,993)	(5,793)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(6,709)	(6,644)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(21,702)	(12,437)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(4,500)	(1,835)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals	-	-
21	Partnership Distribution	(2,964)	-
22	Cash Disbursed for Capital Contribution	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(7,464)	(1,835)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	10,745	1,606
25	Cash and Cash Equivalents at Beginning of Period.....	42,066	40,460
26	Cash and Cash Equivalents at End of Period.....	52,811	42,066
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	94,872	93,577
28	Income Taxes.....	375	-

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

6/17/03

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	3,154	4,002
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	38,158	33,822
31	Amortization of Other Assets (Bond Discount).....	86	-
32	Amortization of Debt Discount or Premium.....	2,527	2,732
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	6,234	2,330
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	5,480	327
39	Net (Increase) Decrease in Inventories.....	(137)	329
40	Net (Increase) Decrease in Other Current Assets.....	(1,319)	257
41	Net (Increase) Decrease in Other Assets.....	(7,930)	(31,034)
42	Net Increase (Decrease) in Accounts Payable.....	(3,722)	(280)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	(2,620)	3,393
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45		-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	39,911	15,878

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	29,041	12,253
49	Less: Capital Lease Obligations Incurred.....	(14,048)	(6,460)
50	Cash Outflows for Property and Equipment.....	14,993	5,793
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	-	-
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	0	0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution... NOTE 8 & 9 .	(111,777)	-
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....NOTE 9.....	35,565	-
59	Plus: Elimination of Amounts Due from Affiliates.....NOTE 8.....	76,212	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	0	0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED DECEMBER 31, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	69,717	\$ 5,264		
2	Food	504,685	5,381		
3	Beverage	1,504,963	2,439		
4	Travel			14,621	\$ 1,635
5	Bus Program Cash	155,032	1,792		
6	Other Cash Comps	421,903	12,869		
7	Entertainment	4,030	155	8,565	354
8	Retail & Gifts			44,223	1,163
9	Parking				
10	Other	3,810	267	13,936	367
11	Total	2,664,140	\$ 28,167	81,345	\$ 3,519

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	253,692	\$ 22,739		
2	Food	2,157,475	24,281		
3	Beverage	6,331,416	10,216		
4	Travel			64,925	\$ 6,749
5	Bus Program Cash	679,712	7,736		
6	Other Cash Comps	1,719,526	55,982		
7	Entertainment	26,229	1,390	17,758	854
8	Retail & Gifts			196,948	6,218
9	Parking				
10	Other	15,901	1,060	60,783	1,468
11	Total	11,183,951	\$ 123,404	340,414	\$ 15,289

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

NOTE 1 - ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates" or the "Company") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") which is a 63.4% owned subsidiary of Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"). In addition, Trump AC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"), the owner and operator of the Trump Plaza Hotel and Casino located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The industry in which the Taj Mahal operates is subject to intense competition and regulatory review.

As discussed in Note 4, repayment of the Trump AC Mortgage Notes is due in 2006. As shown in the accompanying Statements of Cash Flows, Taj Associates has consistently generated sufficient cash for debt service and operating requirements. Management believes that, based upon its cash flow projections for 2003, Taj Associates have sufficient cash flows to meet their debt service and operating expense requirements throughout 2003.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Gaming revenues represent the net win from gaming activities which is the difference between amounts of gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

Taj Associates provides an allowance for doubtful accounts arising from casino, hotel and other services, which is based upon a specific review of certain outstanding receivables as well as historical collection information. In determining the amount of the allowance, management is required to make certain estimates and assumptions. Actual results could differ from those estimates and assumptions.

Promotional Allowances

The retail value of accommodations, food, beverage and other services provided to customers without charge is included in gross revenue and deducted as promotional allowances. The estimated departmental costs of providing such promotional allowances are included in costs of goods and services in the accompanying statements of income as follows:

	Years Ended December 31,	
	2002	2001
Rooms	\$ 9,802,000	\$ 10,393,000
Food and Beverage	32,003,000	33,602,000
Other	3,722,000	4,228,000
	<u>\$ 45,527,000</u>	<u>\$ 48,223,000</u>

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

Income Taxes

The accompanying financial statements do not include a provision for federal income taxes since any income or losses allocated to the partners are reportable for federal income tax purposes by the partners.

Under the New Jersey Casino Control Act (the "Casino Control Act") and the regulations promulgated thereunder, Taj Associates is required to file a New Jersey corporation business tax return.

At December 31, 2002, Taj Associates had a net operating loss carryforward of approximately \$131,000,000, which is available to offset taxable income through the year 2009. The net operating loss carryforward results in a deferred state tax asset of \$11,790,000 which has been offset by a valuation allowance of \$11,790,000 as utilization of such carryforward is not certain.

On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act (the "Act"). This Act, among other things, requires the suspension of the use of the New Jersey net operating loss carryforward for two years and imposes a new Alternative Minimum Assessment amount under the New Jersey corporate business tax based on either gross receipts or gross profits, as defined. The Act is retroactive to January 1, 2002. In accordance with the Act, Taj Associates has recorded a provision for current income tax expense of \$2,319,000 for the year ended December 31, 2002.

Inventories

Inventories of provisions and supplies are carried at the lower of cost (weighted average) or market.

Property and Equipment

Property and equipment is carried at cost and is depreciated on the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service. Depreciation expense includes amortization of assets under capital lease obligations.

Advertising Expense

Taj Associates expenses advertising costs as they are incurred. Advertising expense was \$3,598,000 and \$3,898,000 for the years ended December 31, 2002 and 2001, respectively.

Long-Lived Assets

The provisions of Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" requires, among other things, that an entity review its long-lived assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Taj Associates does not believe that any such changes have occurred.

Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include hotel and casino funds, funds on deposit with banks and temporary investments purchased with a maturity of three months or less.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

Recent Accounting Pronouncements

In July 2001, the FASB issued Statement No. 141 "Business Combinations" ("SFAS 141") and Statement No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 141 is effective as follows: a) use of the pooling-of-interest method is prohibited for business combinations initiated after June 30, 2001; and b) the provisions of SFAS 141 also apply to all business combinations accounted for by the purchase method that are completed after June 30, 2001. SFAS 142 is effective for fiscal years beginning after December 15, 2001 and applies to all goodwill and other intangible assets recognized in an entity's statement of financial position at that date, regardless of when those assets were initially recognized. The effect of adoption of these pronouncements did not have any impact on Taj Associates.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This standard addresses the financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The standard is effective for fiscal years beginning after June 15, 2002. Taj Associates does not expect the adoption of SFAS No. 143 to have an impact on Taj Associates's financial results.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This standard addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The standard is effective for fiscal years beginning after December 31, 2001. Taj Associates adopted SFAS No. 144 on January 1, 2002 and the effect of adoption had no impact to Taj Associates.

In April 2002, the FASB issued No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections". SFAS No. 145 requires, among other items, gains or losses of extinguishment of debt to be classified as income (loss) from continuing operations rather than as an extraordinary item as previously required under SFAS No. 4 unless such extinguishment is determined to be extraordinary pursuant to Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Transactions". SFAS No. 145 was effective for financial statements issued on or after May 15, 2002. Taj Associates adopted the provisions of SFAS No. 145 during 2002, and the effect of adoption had no impact to Taj Associates.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities". This pronouncement, which nullifies EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit on Activity (including Certain Costs Incurred in a Restructuring)", addresses the accounting and reporting for costs associated with exit or disposal activities and is effective for exit or disposal activities initiated after December 31, 2002. Taj Associates does not expect the adoption of SFAS No. 146 to have a material impact on Taj Associates's financial position or results of operations.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34" ("FIN No. 45"). The interpretation requires that upon issuance of a guarantee, the entity must recognize a liability for the fair value of the obligation it assumes under that obligation. This interpretation is intended to improve the comparability of financial reporting by requiring identical accounting for guarantees issued with separately identified consideration and guarantees issued without separately identified consideration. For Taj Associates, the initial recognition, measurement provision and disclosure requirements of FIN No. 45 are applicable to guarantees issued or modified after December 31, 2002. Taj Associates is currently evaluating what impact, if any, adoption of FIN No. 45 will have on its financial position, results of operations, or liquidity.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN No. 46"). This interpretation clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. For existing variable interest entities, the consolidated requirement is effective for interim or annual financial statements beginning after June 15, 2003. Taj Associates does not believe that it has any variable interest entities, which will be subject to consolidation pursuant to FIN No. 46.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

Reclassifications

During 2002, Taj Associates reclassified certain costs (primarily bus coin) from gaming expenses to promotional allowances to be consistent with prevailing industry practice. The prior year amount of \$14,152,000 for the year ended December 31, 2001, has been reclassified to conform to the current year presentation.

Certain other reclassifications and disclosures have been made to prior year financial statements for them to be in conformity with the current year presentation.

NOTE 3 - PROPERTY AND EQUIPMENT

	December 31,	
	2002	2001
Land	\$ 74,568,000	\$ 74,568,000
Buildings	910,089,000	899,907,000
Furniture, fixtures and equipment	125,879,000	103,891,000
Construction in progress	4,673,000	5,282,000
Total	1,115,209,000	1,083,648,000
Less Accumulated Depreciation (Note 2)	(248,564,000)	(211,280,000)
Net Property and Equipment	\$ 866,645,000	\$ 872,368,000

NOTE 4 - LONG TERM DEBT

Long term debt consists of the following:

	December 31, 2002	December 31, 2001
Note Payable - Trump AC (a)	\$ 800,000,000	\$ 800,000,000
Note Payable - Trump AC, net of unamortized discount of \$460,000 and \$0, respectively (a)	36,290,000	—
Other (b)	15,839,000	6,291,000
Total	852,129,000	806,291,000
Less: Current portion - Other	(5,668,000)	(2,129,000)
	\$ 846,461,000	\$ 804,162,000

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

	Year ended December 31,	
	2002	2001
<u>Interest Expense - Affiliates</u>		
Trump Atlantic City Associates (a)	\$ 92,756,000	\$ 90,000,000
Accretion - bond discount	147,000	—
Amortization - deferred loan costs (a)	2,527,000	2,733,000
Total	<u>\$ 95,430,000</u>	<u>\$ 92,733,000</u>

Interest Expense - External

Capital lease obligations (b)	<u>\$ 973,000</u>	<u>\$ 577,000</u>
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	Three months ended December 31,	
	2002	2001
<u>Interest Expense - Affiliates</u>		
Trump Atlantic City Associates (a)	\$ 23,533,000	\$ 22,500,000
Accretion - bond discount	74,000	—
Amortization - deferred loan costs (a)	596,000	654,000
Total	<u>\$ 24,203,000</u>	<u>\$ 23,154,000</u>

Interest Expense - External

Capital lease obligations (b)	<u>\$ 293,000</u>	<u>\$ 233,000</u>
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(a) Trump AC together with Trump Atlantic City Funding, Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued the Trump Atlantic City Mortgage Notes ("Trump AC Mortgage Notes") in an aggregate principal amount of \$1,200,000,000 which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all of the assets of Taj Associates and Plaza Associates.

Trump AC together with Trump Atlantic City Funding, Inc. II ("Trump AC Funding II") and Trump Atlantic City Funding III, Inc. ("Trump AC Funding III"), wholly owned subsidiaries of Trump AC, issued Trump AC Mortgage Notes in an aggregate principal amount of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all of the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes. Costs of \$29,467,000 and \$609,000 associated with the issuance of the Trump AC Mortgage Notes are being amortized by Taj Associates using the effective interest method over the term of the Trump AC Mortgage Notes. Amortization is included in interest expense in the accompanying statements of operations and totaled \$2,527,000 and \$2,733,000 for the years ended December 31, 2002 and 2001, respectively.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

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(b) Interest on these leases are payable with interest rates ranging from 7.9% to 13.0%. The leases are due at various dates between 2003 and 2007 and are secured by the equipment financed.

Future minimum payments under capital leases (principal portion included in the table of debt maturities below) are as follows:

2003	\$	6,855,000
2004		6,816,000
2005		3,443,000
2006		306,000
2007		524,000
Total Minimum Payments		17,944,000
Less: Amount representing interest		(2,105,000)
Present Value of minimum lease payments	\$	<u>15,839,000</u>

The aggregate maturities of long-term debt as of December 31, 2002 are as follows:

2003	\$	5,669,000
2004		6,164,000
2005		3,263,000
2006		836,992,000
2007		501,000
	\$	<u>852,589,000</u>

The ability of Taj Associates to repay its current and long-term indebtedness when due will depend on its ability to either generate cash from operations sufficient for such purposes or to refinance such indebtedness on or before the date on which it becomes due. Cash flow from operations will not be sufficient to repay a substantial portion of the principal amount of the debt at maturity. The future operating performance of Taj Associates and its ability to refinance its debt will be subject to the then prevailing economic conditions, industry conditions and numerous other financial, business and other factors, many of which are beyond the control of Taj Associates. There can be no assurance that the future operating performance of Taj Associates will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets or the receptiveness of the capital markets to the gaming industry or to Taj Associates will be conducive to refinancing this debt or other attempts to raise capital.

During 2002, Trump AC was seeking to refinance or modify the terms of the Trump AC Mortgage Notes. Trump AC has since terminated such efforts but may renew its efforts to refinance or modify the Trump AC Mortgage Notes at a later date if and when capital market conditions are favorable.

NOTE 5 - OTHER ACCRUED EXPENSES

	December 31,	
	2002	2001
Accrued interest	\$ 5,486,000	\$ 7,000,000
Accrued advertising/marketing	1,366,000	1,297,000
Accrued payroll & related	14,099,000	12,510,000
Accrued CRDA obligation	1,520,000	1,579,000
Accrued litigation	642,000	694,000
Other **	3,903,000	4,594,000
Total	<u>\$ 27,016,000</u>	<u>27,674,000</u>

** None of the individual components of Other exceed 5% of the total.

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NOTE 6 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Trump") and entities that are wholly or partially owned by Trump. Amounts receivable/(payable) at December 31 are as follows:

	December 31,	
	2002	2001
Trump Castle Associates ("Castle Associates") (a)	\$ 38,000	\$ 610,000
Plaza Associates (a)	30,000	(9,000)
THCR (a)	—	(977,000)
Trump Administration (a)	(33,000)	6,624,000
Trump AC (a)	2,000,000	64,325,000
	<u>\$ 2,035,000</u>	<u>\$ 70,573,000</u>

(a) Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, payroll costs, warehoused operating inventories and advertising as well as complimentary services offered to customers.

The Taj Mahal utilizes certain facilities owned by Trump to entertain high-end customers. Management believes that the ability to utilize these facilities has enhanced Taj Associates revenues. In 2002 and 2001, Taj Associates incurred approximately \$344,000 and \$270,000, respectively, for customer costs associated with such utilization. In addition, in exchange for having Trump's plane available to customers of the Taj Mahal, Taj Associates has incurred pilot costs of approximately \$147,000 and \$126,000 for the years ended December 31, 2002 and 2001, respectively.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to, Plaza Associates, Taj Associates and Castle Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Lease Agreements

Taj Associates leases certain property, warehouse space and various equipment under operating leases. Rent expense for the years ended December 31, 2002 and 2001 was \$4,882,000 and \$3,699,000, respectively.

Future minimum lease payments under the noncancellable operating leases are as follows:

2003	\$ 2,444,000
2004	1,292,000
2005	1,539,000
2006	—
2007	—
	<u>\$ 5,275,000</u>

Certain of these leases contain options to purchase the leased properties at various prices throughout the leased terms.

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Taj Associates received a permit under the Coastal Area Facilities Review Act ("CAFRA") (which included a condition of Taj Associates' casino license) that initially required Taj Associates to begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of commencement. Taj Associates initially proposed a concept to improve the Steel Pier, the estimated cost of which was \$30,000,000. Such concept was approved by the New Jersey Department of Environmental Protection, the agency which administers CAFRA. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extension of the required commencement and completion dates of the improvements to the Steel Pier for one year, which has been renewed annually based upon an interim use of the Steel Pier as an amusement park. The pier sublease terminates on December 31, 2003 unless extended.

Employee Benefit Plan

Taj Associates has a retirement savings plan (the "Plan") for its nonunion employees under Section 401(k) of the Internal Revenue Code. Employees are eligible to contribute up to 30% of their earnings to the Plan and Taj Associates will match 50% of the first 6%. Taj Associates recorded charges of \$1,835,000 and \$2,001,000 for matching contributions for the years ended December 31, 2002 and 2001, respectively.

Taj Associates makes payments to various trustee multi-employer pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. Under the Employee Retirement Income Security Act, Taj Associates may be liable for its share of the plan's unfunded liabilities, if any, if the plans are terminated. Pension expense charged to operations for the years ended December 31, 2002 and December 31, 2001 was \$2,459,000 and \$2,242,000 respectively.

Casino License Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the Casino Control Act, Taj Associates is required to maintain certain licenses. Casino licenses must be renewed periodically, are not transferable, are dependent on the financial stability of the licensee and can be revoked at any time.

In June 1999, the Casino Control Commission (the "CCC") renewed Taj Associates' casino license to operate the Taj Mahal for a period of four years through June 30, 2003. Taj Associates has filed an application for the renewal of its casino license through June 2007. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

Legal Proceedings

Taj Associates, its Partners, certain members of its former Executive Committee, and certain of its employees, have been involved in various legal proceedings. In general, Taj Associates has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various legal proceedings are now pending against Taj Associates. Taj Associates considers all such proceedings to be ordinary litigation incident to the character of its business. Taj Associates believe that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Taj Associates is also a party to various administrative proceedings involving allegations that it has violated certain provisions of the Casino Control Act. Taj Associates believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or on the ability of Taj Associates to otherwise retain or renew any casino or other licenses required under the Casino Control Act for the operation of the property.

TRUMP TAJ MAHAL CASINO RESORT
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Self-Insurance Reserves

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workman's compensation and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve amounts.

Federal Income Tax Examination

Taj Associates is currently involved in an examination with the Internal Revenue Service ("IRS") concerning Taj Associates' federal partnership income tax returns for the tax years 1994 through 1996. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Casino Control Act, Taj Associates, must either obtain investment tax credits (as defined in the Casino Control Act), in an amount equivalent to 1.25% of its gross casino revenues, or pay an alternative tax of 2.5% of its gross casino revenues (as defined in the Casino Control Act). Investment tax credits may be obtained by making qualified investments or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). Taj Associates intend on satisfying its obligations primarily by depositing funds to be used for the purchase of bonds or by making qualified investments. Taj Associates is required to make quarterly deposits with the CRDA based on 1.25% of its gross revenue. For the years ended December 31, 2002 and 2001, Taj Associates charged to operations \$2,217,000 and \$2,219,000 respectively, to give effect to the below market interest rates associated with CRDA bonds that have either been issued or are expected to be issued from funds deposited. From time to time Taj Associates has elected to donate funds it has on deposit with the CRDA for various projects. Donations in the amounts of \$6,192,000 and \$333,000 were made during the years ended December 31, 2002 and 2001, respectively. As a result of these donations, Taj Associates charged the carrying value to operations of \$4,018,000 and \$111,000 during the years ended December 31, 2002 and 2001.

NOTE 8 - PARTNERSHIP DISTRIBUTION

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. During the quarter ended June 30, 2002, Trump AC declared a non-cash partnership distribution to THCR of \$101,341,000, consisting of \$50,000,000 of prior years interest reimbursements and \$51,341,000 of prior years operating expense reimbursements.

As such, Trump AC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the quarter ended June 30, 2002, Taj Associates declared a partnership distribution to Trump AC of \$76,212,000. Previously these amounts were presented as Advances to Affiliates on the balance sheet. Additionally, during the six months ended December 31, 2002, Taj Associates declared cash partnership distributions to Trump AC of \$2,964,000 consisting of operating expense reimbursements.

TRUMP TAJ MAHAL CASINO RESORT
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DECEMBER 31, 2002
(Unaudited)

NOTE 9 - PARTNERSHIP CAPITAL

Trump AC together with Trump AC Funding II and Trump AC Funding III issued Trump AC Mortgage Notes in an aggregate principal amount of \$75,000,000 and \$25,000,000, respectively, which bear interest at 11.25% and are due May 1, 2006. Interest on the Trump AC Mortgage Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest jointly and severally by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The Trump AC Mortgage Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all of the assets of Taj Associates and Plaza Associates.

From the proceeds of the issuance of the Trump AC Mortgage Notes, Taj Associates and Plaza Associates each received the benefit of \$36,750,000 and \$63,250,000, respectively. Accordingly these amounts plus apportioned deferred loan costs net of unamortized discounts were recorded in the stand alone financial statements of both Taj Associates and Plaza Associates during the quarter ended June 30, 2002. Previously these amounts were recorded solely on the financial statements of Trump AC.

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial instruments approximates fair value, as follows: (a) cash and cash equivalents, receivables and payables are based on the short term nature of these financial instruments and (b) CRDA bonds and deposits are based on the allowances to give effect to the below market interest rates.

The estimated fair values of the other financial instruments are as follows:

	December 31, 2002	
	Carrying Amount	Fair Value
Trump AC Mortgage Notes	\$ 800,000,000	\$ 624,000,000
Trump AC Funding II Mortgage Notes	\$ 27,254,000	\$ 21,085,000
Trump AC Funding III Mortgage Notes	\$ 9,036,000	\$ 6,983,000

The fair values of the Trump AC Mortgage Notes, Trump AC Funding II Mortgage Notes and Trump AC Funding III Mortgage Notes are based on quoted market prices as of December 31, 2002.

There are no quoted market prices for other notes payable and a reasonable estimate could not be made without incurring excessive costs.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :SS, :

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before
me this 31st day of March, 2003

Suzanne H. Wallowitch
Signature

Suzanne H. Wallowitch
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 23, 2003
Basis of Authority
to Take Oaths

James Wright
Signature

Vice President of Finance
Title

003507-11
License Number

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee